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Industrial Development Board

Eighth session

SUMMARY RECORD OF THE 1st MEETING

Held at the Vienna International Centre, Vienna,
on Monday, 1 July 1991, at 10 a.m.

Temporary President: Mr. LONSMANN POULSEN (Denmark)
President: Mr. TOFIGH (Islamic Republic of Iran)

CONTENTS

Agenda item		Paragraphs
1	Opening of the eighth session	1 - 2
2	Election of officers	3 - 8
3	Adoption of the agenda for the eighth session	9 - 12
-	Statement by the Director-General	13 - 25
-	Organization of work	26 - 33
4	Annual report of the Director-General for 1990 on the activities of the Organization	34 - 82

The meeting was called to order at 10.05 a.m.

OPENING OF THE EIGHTH SESSION

1. The TEMPORARY PRESIDENT declared open the eighth session of the Industrial Development Board.

2. He said he hoped that, at the present session, the members of the Board would continue to display the spirit of cooperation which had prevailed at previous sessions. Multilateral endeavour was a process of give and take. He believed firmly in the principle of decision by consensus, but it should not be followed so slavishly that indecisiveness resulted and action was inhibited.

ELECTION OF OFFICERS

3. The TEMPORARY PRESIDENT said that he had received the following nominations: that of Mr. Ali Tofigh (Islamic Republic of Iran) as President; those of Mr. Yury Vassilievich Kostenko (Ukrainian Soviet Socialist Republic), Mr. Manuel Constenla (Costa Rica) and Mrs. Mervat Tallawy (Egypt) for the three posts of Vice-President; and that of Mr. Rolf Schröder (Germany) for the post of Rapporteur. If he heard no objection, he would take it that the Board agreed to those nominations.

4. The President, Vice-Presidents and Rapporteur nominated were elected by acclamation.

5. Mr. Tofigh (Islamic Republic of Iran) took the Chair.

6. The PRESIDENT thanked delegations for the confidence they had shown in him and the other members of the Bureau. He commended the outgoing President and Bureau for their achievements during the previous two years.

7. UNIDO had been pursuing its mandate to promote and accelerate the industrialization of the developing countries since 1967. After its conversion into a specialized agency, the expectations placed in it by developing countries had risen and the tendency for them to look to the Organization for technical assistance had grown. There had been two reasons for that. One had been the tremendous investment made in the Organization by its Members, giving UNIDO a fully-fledged structure through which developing countries could

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obtain expertise, training and information. The other had been the esteem it enjoyed because of its non-profit-making character, its independent and unbiased approach to the choice of development alternatives and its respect for the safety and environmental aspects of industrialization.

8. It now faced the problem of the impact on its work of changes in UNDP policies. It could no longer rely on UNDP providing financial resources for its delivery of technical assistance to developing countries in the industrial sector. It had to think about a new strategy that would enable it to maintain an active presence in the field. The best way of ensuring that would be through the use of trust funds, a mechanism that should enable UNIDO to meet developing countries' requirements and strengthen their belief in its capacity to further their economic and industrial development. The Organization's new approach to its task would necessitate a reorganized structure whereby it could improve and implement the policies needed for the industrialization of the third world. The issue of restructuring had been discussed at length and was ripe for decision. He invited all members of the Board to cooperate in reaching practical decisions on the items on its agenda, and in particular in expediting a decision on the restructuring of the Organization, so as to preserve the motivation of its staff.

ADOPTION OF THE AGENDA FOR THE EIGHTH SESSION (IDB.8/1 and Add.1)

9. The PRESIDENT invited the Board to consider the provisional agenda proposed in document IDB.8/1. It contained a number of supplementary items and sub-items proposed by the Director-General for inclusion in the agenda. The reasons for their inclusion were explained in the annotated provisional agenda (IDB.8/1/Add.1).

10. Mr. BOKONGA (Zaire), speaking on behalf of the African group of countries, said that the Board should postpone its consideration of item 8, concerning the Second Industrial Development Decade for Africa, until after the tenth meeting of the Conference of African Ministers of Industry had taken place at the end of the month. At present it did not have sufficient information to discuss the matter fully.

11. Mr. SIAZON (Director-General) said that the subject might be discussed at a resumption of the eighth session if that proved necessary. He felt, however, that it would be helpful for the Board to hear straight away about the progress which had been achieved in implementing the first Industrial Development Decade for Africa (IDDA) and about the measures proposed for the Second IDDA, and to make suggestions on the matter to the tenth meeting of the Conference of African Ministers of Industry. The conclusions which the Conference reached could be taken up at a resumption of the Board's eighth session and passed on to the fourth session of the General Conference of UNIDO.

12. The agenda contained in document IDB.8/1 was adopted.

STATEMENT BY THE DIRECTOR-GENERAL

13. Mr. SIAZON (Director-General) said that, whatever the immediate agenda of the session, the Board's ultimate concern must be with the enhancement of the quality of human life in a world where millions lived in abject poverty, suffered from malnutrition and illiteracy and lacked basic health services. Although, viewed against the enormous challenges, UNIDO's role must seem minuscule, the Organization did contribute, within its fields of competence, to economic growth and improved living standards in the developing countries.

14. Technical cooperation delivery in 1990 had shown an increase of 19 per cent over 1989. The upward trend continued, with a delivery of $86.5 million in the first five months of 1991, some 9 per cent more than during the same period of the previous year. The upsurge in industrial investment promotion was even more pronounced, with successful promotion by UNIDO of 699 million dollars' worth of investment in 1990 as against 556 million in 1989 - an increase of 26 per cent. In Latin America, the level of UNIDO-promoted investment had reached its highest level ever.

15. Recent regional initiatives were bearing fruit. The regional programme for the industrial automation of the capital goods sector in Latin America, backed by $8.9 million from six donor countries and designed for and with the private sector, would be launched very soon in Caracas, Venezuela. At the end of July, the Conference of African Ministers of Industry would meet in Dakar, Senegal, to discuss, inter alia, the programme for the Second Industrial Development Decade for Africa which had been derived from programmes drawn up by the countries themselves. UNIDO had contributed to that programme in cooperation with Governments, the Economic Commission for Africa (ECA) and the Organization of African Unity (OAU), and with such partners as UNDP, the World Bank and the African Development Bank. That close cooperation not only ensured the viability of the programme, but it also secured the commitment of Member States to its implementation.

16. All that underscored the commitment of the Secretariat to do its level best, even under the most difficult of circumstances. Cash-flow problems continued to haunt UNIDO. No respite from the Organization's financial difficulties could be foreseen as long as Member States failed to honour the obligations which they had willingly assumed. Unless Member States complied with financial regulation 5.5 (b), the effective and efficient implementation of approved programmes was extremely difficult. He was, however, pleased to inform the Board that the Government of Japan was now making the schilling portion of its contribution available.

17. By mid-May of the current year, unpaid assessed contributions for 1986-1990 had amounted to the equivalent of $23.53 million, or 28 per cent of the 1991 assessment. When the unpaid contributions for 1991, at $53.14 million at the end of May, were added, the total amount of unpaid contributions came to no less than $76.67 million, close on 91.2 per cent of the 1991 assessment. The seriousness of the situation was underscored by the startling fact that, as at 26 June 1991, 47 Member States had lost their voting rights through failure to pay their assessed contributions. The critical nature of the situation explained why authority had repeatedly been sought to use the unutilized balances of appropriations from earlier bienniums.

18. However efficient an organization tried to be, it could not function properly if persistently

denied the resources due to it. He recalled the findings of the Stockholm Initiative on Global Security and Governance on the financial crisis of the United Nations. Indeed, as he saw it, honouring financial commitments to the Organization went hand in hand with the right to air views, critical or otherwise, about its activities.

19. Member States could show their support for UNIDO not only by fulfilling their financial obligations, but also by acting swiftly on a number of outstanding problems, including the programme and budgets for the next biennium, the Organization's computerization programme and the reform of its organizational and staff structure. In his present statement, he would deal mainly with those three issues, and he would cover others in a written statement to be circulated, obviating the need for item-by-item introductions during the session.

20. Restructuring was an issue that must be decided upon during the current year if the Organization was to remain relevant and responsive in a changing global environment. A spirit of reform and renewal had seized the United Nations system as a whole; failure to grasp the present opportunity would render UNIDO largely incapable of fulfilling its mandate. The proposal in document IDB.8/45 was a refinement of the structure proposed in document IDB.7/33, and reflected the comments of Member States as expressed during the seventh session of the Board and in informal consultations, as well as the basic considerations of the Open-ended Working Group established by the Board.

21. The decision on successor arrangements taken at the last session of the Governing Council of UNDP reinforced the need for a restructuring that would strengthen UNIDO's technical thrust. In the near future, there would be a marked shift towards sectoral analysis, policy advice and other programme-level work as administrative and operational services to technical cooperation projects diminished in importance. The changed nature of the services to be provided by UNIDO as a specialized agency had in fact been anticipated in the new organizational and staff structure proposed. Similarly, although the full implications of the decision had yet to be worked out, it would appear that the assumptions relative to the operational income made during the formulation of the Organization's budget for the next biennium were still valid.

22. The proposal provided for only one Deputy Director-General. The decision regarding the number of deputy directors-general and the allocation of departments to them rested exclusively with Member States, but for his part he maintained that, given the size and functions of UNIDO, one deputy director-general would suffice.

23. The computerization programme of the Organization had been the subject of extensive formal and informal discussion in recent months and had featured prominently at the recent resumed session of the Programme and Budget Committee, which had been presented with a financing proposal showing how the costs of the programme recommended by a team of consultants could be absorbed within the budgetary estimates proposed earlier. The importance of electronic data-processing for the delivery of technical cooperation could not be overemphasized: close on 52 per cent of UNIDO's mainframe time was currently devoted to the programming and delivery of technical cooperation and other mandated substantive activities. He knew that some delegations had misgivings about the consultants' report, but rejection of the revised programme would mean higher costs since a non-decision at the present time would entail continuing payment of existing contractual obligations under a programme whose cost had been estimated by the consultants at some $47 million over the period 1989-1995. Under those circumstances, the savings and improvements identified could not be realized. An early decision, which would on balance serve the best interest of UNIDO, would enable the issue finally to be put to rest and permit attention to be focused on the business of industrial development.

24. The most practical basis for moving forward in the immediate future would have been the adoption of the programme and budgets for the next biennium. It was thus most distressing that the specially convened resumed session of the Programme and Budget Committee had failed to reach agreement on that matter. The Secretariat had trimmed the budget to the bone, with a reduction of $5.7 million in the regular budget and of $521,000 in the operational budget. Those adjustments left practically no room for contingencies. Furthermore, the lack of a clear understanding on the programme and budgets for 1992-1993 introduced a strong element of uncertainty in the work of the Organization; it would put ongoing programmes at risk and negatively affect staff morale. He trusted that the Programme and Budget Committee would bear those considerations in mind when it took the matter up again in August. In order to facilitate the adoption of the budget, the Secretariat would endeavour, to the extent possible, to take account of the views expressed during the Committee's first resumed session in preparing revised proposals, although, given the divergence of views, the task would be far from easy.

25. In concluding, he expressed the conviction that, despite the many problems facing the Organization, the spirit of accommodation and mutual understanding that had helped it overcome past difficulties would once again prevail. While present problems could not be ignored or wished away, they could be faced squarely and concrete action could be taken to resolve them. It would then be possible to look towards the future, secure in the belief that UNIDO stood on firm foundations. He wished the Board every success in its deliberations.

ORGANIZATION OF WORK

26. The PRESIDENT drew attention to the tentative schedule of work for the session which had been agreed upon at the meeting of heads of delegations preceding the present plenary meeting, and circulated as an informal paper. It was understood that, should the debate on an item be completed earlier than scheduled, the next item listed would be taken up immediately.

27. The proposed tentative schedule of work was approved.

28. The PRESIDENT suggested that, to achieve economies and ensure the effective utilization of conference-servicing resources, the Board might wish to suspend the quorum requirement laid down in rule 32 of the rules of procedure, as it had done at previous sessions. Under rule 80 of the rules of procedure, that decision could take

effect immediately, without the prescribed 24 hours' notice, if no member objected. If he saw no objection, he would take it that the Board wished to suspend, for its eighth session only and with immediate effect, rule 32 of the rules of procedure on the understanding that the measure would apply only to meetings at which no substantive decision was to be taken.

29. It was so decided.

30. The PRESIDENT reminded the Board of the recommendations for the conduct of its business and rationalization of proceedings which it had made at its fifth session in decision IDB.5/Dec.46.

31. Mr. PLUG (Netherlands), speaking on behalf of the States members of the European Community, said the Board was repeatedly faced with a situation in which sessional documents reached permanent missions excessively late, in serious breach of the six-week rule laid down in rule 15 of the rules of procedure. That situation was unacceptable. The Community countries protested strongly at the disregard of the rule and wished to know what steps were being taken to improve matters. He would revert to the subject when the Board took up item 26.

32. Mr. ANGUIANO (Mexico) endorsed the previous speaker's comments. The question put to the Secretariat by the representative of the Netherlands was highly pertinent. The problem required solution before the next session.

33. The PRESIDENT said that the matter had been noted and that a reply would be given later.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1990 ON THE ACTIVITIES OF THE ORGANIZATION (IDB.8/10 and Corr.1)

34. Mr. PLUG (Netherlands), speaking on behalf of the member States of the European Community, welcomed the annual report, which was one of the few documents that had arrived in time. Its length and structure were now satisfactory, but it would benefit from a brief preface by the Director-General summarizing the activities of the year and outlining the specific aims and strategies for the next year, to give the Board an overview that would enable it to take informed decisions about the future.

35. Many of the major problems dealt with in 1990 would be discussed under other agenda items. The member States of the European Community were concerned in particular about the problems of cash flow. However, despite those problems it had been possible to continue to deliver technical assistance at a good level, and a welcome attempt had been made to improve quality.

36. The chief general change in technical cooperation programmes appeared to be a surprisingly rapid increase in the percentage of aid going to interregional and global programmes, from 14.3 per cent to 19.6 per cent. In principle, he felt that that was a move in the right direction, using UNIDO's skills and expertise to the best advantage, but he would like to know the reasons for the change.

37. They supported the increased interest in appropriate technology, including the use of local materials, and the increasing trend towards cooperation between developing countries.

38. The annual report showed the extreme dependence of UNIDO on UNDP for much of its delivery in the field and underlined the importance of securing a reasonable deal under the new support costs arrangements with UNDP, which would be discussed separately.

39. In 1990, the member States of the European Community had expressed their concern about the need to integrate the System of Consultations within UNIDO's programmes. Much had happened in that area and a good evaluation had been carried out and implemented.

40. As far as development and the transfer of technology were concerned, UNIDO had to find ways to translate research and development findings into worthwhile projects in developing countries.

41. He was pleased to see the development in the number and value of "investment projects concluded" in the period 1986-1990 (IDB.8/10, p. 61), but would welcome clarification as to what was meant by "concluded" in that context.

42. The least developed countries, almost by definition, were difficult to help in the industrial sector. However, UNIDO had made considerable efforts to that end, for example in the use of appropriate technology such as the traditional textile industry and in trying to establish an industrial action plan for the least developed countries. That plan should be addressed to the reality facing those countries. The results were awaited by the Community with great interest.

43. He reiterated the constant concern of the member States of the European Community that women's interests should be incorporated within development projects and programmes as a matter of routine and that wherever possible the approach of setting aside projects for women only should be avoided.

44. He noted the developing and steadily improving concern for environmental problems surrounding UNIDO's programmes and projects. The question of training was vital for UNIDO staff in particular, and the Community member States would like to be kept in touch with the development of the training programme concerned. UNIDO could play a central role in the whole environmental question, but he stressed that environmental aspects should be incorporated into all development projects and programmes as a matter of routine. The Community member States looked forward to discussing ecologically sustainable industrial development at the UNIDO Conference on that subject to be held at Copenhagen in October 1991.

45. Poor problem identification at the outset led to poorly designed projects, and he welcomed UNIDO's attempt to deal with the issue, in particular, by insisting on full information from the field on the causes and effects of the problems to be addressed by a given project proposal. As projects grew in sophistication and size, that became vital, and he urged the Secretariat to continue pressure on those lines. The guidelines for project design were a step in the right direction.

46. He strongly supported the continuous evaluation not just of projects but also of UNIDO headquarters, and therefore welcomed the second

in-depth evaluation of the industrial investment programmes. Time and money were well spent when they led to much more effective programme delivery in the long term. That would certainly be true of the proposed evaluation of the work in human resource development, and the Community member States looked forward to further information on that important evaluation.

47. With the current debate on support costs, it looked increasingly unlikely that there would ever be a chance for the number of UNIDO country director posts to grow significantly, and indeed other possible sources of funding might have to be considered, for some of them at least, if the new regime of support costs did not provide enough money to pay for the current number of UNDP-supported posts. The member States of the Community would be addressing that matter under another agenda item.

48. The Liaison Offices in New York and Geneva might make useful contacts, but he wondered whether, given its current financial situation, it was essential for UNIDO to have those offices at all. Much of their work could be dealt with in Vienna or by periodic missions to New York and Geneva. The European Community would welcome the Secretariat's views on that point.

49. Mr. PROKHOROV (Union of Soviet Socialist Republics) said that his delegation viewed with satisfaction UNIDO's work in the period under review. He welcomed the increase in UNIDO's technical cooperation delivery from $133.8 million in 1989 to $159.6 million in 1990, the increased attention to studies of trends in the world economy and industry, and the impact of changing economic relations on the economic, scientific, technical and industrial progress of developing countries, as well as the formulation of recommendations on new concepts and approaches in respect of industrial development.

50. Since the system in regard to technical assistance funded by UNDP was shortly to be reorganized, there was a clear need to review the structure of local field offices. The Secretariat should study the question of establishing effective relations with regional commissions and with the developing countries and take appropriate decisions with regard to its units concerned with activities at regional and country levels.

51. His delegation believed that the interests of the Member States, and especially of the developing countries, would be served by the development within UNIDO of activities concerned with the assessment of regional and national programmes and projects for industrial, scientific and technological development.

52. In connection with UNIDO's activities in fostering industrial cooperation and mobilizing funds, he thanked the Secretariat for having arranged a briefing for Soviet business circles and for its efforts in relation to the establishment and running of the UNIDO Centre in Moscow.

53. He welcomed UNIDO's activities regarding the transfer of technology. He noted the major contribution made by the Department for Industrial Promotion, Consultations and Technology, and particularly the Industrial and Technological Information Bank.

54. He expressed satisfaction at UNIDO's activities in setting up a network of investment promotion offices and international industrial cooperation centres, and noted the successful start made on the UNIDO Centre in Moscow. It would be useful to organize periodic meetings where experience could be exchanged on the management and activities of the offices and centres. The Secretariat's Industrial Cooperation and Funds Mobilization Division should be strengthened, since at a time of changing relationships between UNIDO and UNDP the activities of that Division would be critical for the financial situation of the Organization.

55. Mr. ANGUIANO (Mexico) said that he would like, at the present stage, to put forward some preliminary ideas concerning the Director-General's very interesting remarks.

56. Clearly, UNIDO could work more efficiently if its Members paid their contributions on time and in full. The problems brought about by delay were enormous. In May 1991, total arrears had amounted to over $76.6 million, and the voting rights of 47 Member States had been suspended. However, the voting rights of six member States - among the major contributors to the UNIDO budget - which accounted for 77 per cent of the total arrears had not been suspended since they had been able to pay enough of their arrears to avoid that penalty.

57. Many of the 47 Member States whose voting rights had been suspended were undergoing severe economic crises and were unable to make the minimum necessary contribution. But their outstanding contributions were not the most significant factor in the arrears situation. More serious for the functioning of UNIDO was the 77 per cent owed by the major contributors.

58. Mr. CONSTENLA (Costa Rica), while congratulating the Secretariat on its achievements in pursuing the basic objectives of UNIDO, said that his delegation had reservations about certain trends evident from the annual report.

59. During the last 30 years, Costa Rica had made great efforts to improve its economy. It was now moving towards a reduction of State participation in industrial management, which had been based on an uncompetitive economic model aiming primarily at import substitution, a policy that had imposed an intolerable burden on the national economy. Costa Rica was now reducing State participation in industrial activity to a minimum, reducing the budget deficit by drastic means including massive layoffs of public-sector employees, and gearing its production to world markets. However, the prices of its products on the international market were declining and the economic and budgetary measures had not had all the desired effects. Costa Rica's balance of payments, which had improved, was still negative.

60. The concept of industrialization of the developing countries needed review, and he agreed that UNIDO required a new structure. Industry was a dynamic process, and insufficient attention had been paid in the developing countries to investment in research and development, engineering capability, marketing techniques, distribution, market research and quality control. Those aspects were essential for healthy industrial development and should be given due importance in the programmes of UNIDO.

61. He welcomed UNIDO's efforts to introduce environmental protection as a factor in the industrial management policies of the developing world.

62. UNIDO was facing increasing challenges requiring urgent action in all fields. Greater transparency in administration, together with strict compliance with the mandates of the various organs, would help to re-establish confidence, particularly regarding the computerization programme.

63. His delegation was concerned at the statement in paragraph 18 of chapter I of document IDB.8/10 that staff training accounted for a smaller proportion of staffing costs than in other agencies of the United Nations system. The training programme should be flexible; however, UNIDO should not substitute training for the recruitment of highly qualified staff, nor should the training programme become a substitute for formal technical or university education.

64. He wished to alert the Director-General to a possible excess of bureaucracy. Table 2 on page 18 of document IDB.8/10 showed that the percentage of project cost accounted for by project personnel averaged 43 per cent. It was surprising to find that in projects in Latin America and the Caribbean the percentage was 66 per cent, whereas in Asia and the Pacific it was 30 per cent.

65. With regard to the financial crisis, it was hard to accept the assertion in the report (IDB.8/10, chap. I, para. 1) that the Organization had been compelled to return to "survival strategies", and he was concerned at the misleading statement that "other factors" in the Organization's financial difficulties included "unforeseen salary cost increases; ... escalating electronic data-processing (EDP) costs; and higher maintenance costs ...". Member States should certainly fulfil their obligations in respect of assessed contributions, but that was not the only problem. The Secretariat should increase its efficiency.

66. He agreed that there was no need for a change in the status of conference services.

67. Turning to South-South cooperation, he noted that the amount allocated for the 1990-1991 biennium represented a mere 0.64 per cent of the total budget. UNIDO should pay greater attention, in that regard, to intraregional cooperation. At the same time, the increase in the number of experts from developing countries contracted in 1990 was to be welcomed.

68. Mrs. IALLAWY (Egypt) said that, although the Organization's financial crisis was in some measure due to the failure of Member States, and particularly those which were major contributors, to pay their dues, her delegation considered that the Secretariat had also been remiss in that it had not allocated resources in the best possible way. It was particularly regrettable that expenditure on the electronic data-processing programme had grown to ten times the original estimate, and that administrative costs had risen. At the same time, her delegation welcomed the increase of 19 per cent in technical assistance delivery.

69. It was important, when seeking funds for the implementation of programmes, to ensure that too much reliance was not placed on a single source, namely UNDP.

70. In establishing priorities for UNIDO's programmes, the need for basic industries in the developing countries should be kept constantly in mind. The technologies selected for projects should be in accordance with the medium-term plans of the recipient countries themselves.

71. In connection with technical cooperation activities, she drew the Board's attention to the fact that a seminar would shortly be held in her country on economic conditions in the Arab countries.

72. The emphasis given to the System of Consultations was entirely justified. In that connection, her delegation considered that every effort should be made to hold the regional Consultation on the petrochemical industry in the Arab countries in 1992, without waiting for additional sources of funds.

73. In conclusion, she said that, in view of the high costs involved in their upkeep, there should be an appraisal of the effectiveness of the UNIDO Liaison Offices in Geneva and New York.

74. Mr. MOHAMMED (Nigeria) said that his delegation welcomed the assistance provided by UNIDO for the Investment Projects Promotion Forum held in his country in May 1991. The Organization's help in identifying, formulating and screening projects, and in promoting them through its network of Investment Promotion Services and other contacts, had been particularly helpful.

75. He noted from the annual report (IDB.8/10, chap. I, para. 2) that, at the end of 1990, outstanding contributions had represented 36.2 per cent of the total assessment for the year, a situation whose negative impact on needy countries could not be overestimated. His delegation therefore appealed to all Member States, and particularly to the major contributors, to fulfil their obligations in a timely manner.

76. In that connection, he wished to commend the Secretariat for its continuing commitment to increased productivity in spite of dwindling resources. The increase in technical cooperation delivery from $133.8 million in 1989 to $159.6 million in 1990 was especially commendable. At the same time, his delegation noted with dismay that a number of projects of priority importance to Africa had not been implemented or had been postponed. Given the particularly urgent needs of the continent, it was his delegation's hope that the Secretariat would endeavour to show greater understanding for projects and programmes in Africa.

77. Mr. KAMEL (Turkey) said that, unless the financial difficulties facing the Organization were rapidly remedied, its overall performance would be adversely affected. His delegation was pleased to note that, in spite of the constraints, the Organization had been able to meet the overall objectives set for the biennium 1990-1991. At the same time, it noted that the expert component in the implementation of technical cooperation

projects had tended to increase over the previous three years in comparison to training and equipment costs, a trend which should be checked.

78. His delegation attached particular importance to economic and technical cooperation among developing countries (ECDC/TCDC) in the context of UNIDO's activities; such cooperation would enable the developing countries, including the least developed countries, to share technology, offer suitable training and equipment and exchange experience and information in regard to industrial policies and project management and implementation. UNIDO should continue to expand its catalytic role in that important field, while paying due attention to a fair and balanced geographical distribution of experts, equipment and services.

79. Referring to some of the activities undertaken by his Government for the benefit of the least developed countries, he said that discussions had been held in March 1991 in Vienna to discuss Turkey's financing of selected ECDC/TCDC activities and the provision of in-plant training programmes with specific emphasis on the African region. Funds had been pledged for seven training programmes in various industrial sectors, and his Government was contemplating an increase in the number of programmes and the funds allocated to them for the years 1992 and 1993. The programmes had so far proved highly successful, and over 700 experts from the least developed countries had been trained. Other events, with high-level participation, had been organized with a view to strengthening economic relations between Turkey and Central and Eastern European countries.

80. In connection with the System of Consultations, his delegation noted with satisfaction that the appropriate expertise had been acquired for assisting Member States in organizing national consultations, particularly at sectoral policy levels (IDB.8/22, para. 10). It would be useful to have intensified cooperation with non-governmental organizations, major national industrial corporations, professional associations and universities, and his delegation supported the measures proposed in document IDB.8/22, which would give a new ECDC/TCDC dimension to regional Consultations and promote the move in the direction of national consultations.

81. The energy sector was an important priority area. UNIDO, while engaging in programme promotion, project development and resource mobilization, should maintain coordination in the energy field with other organizations, especially UNDP. His delegation endorsed the programme set out in paragraphs 59-82 of document IDB.8/9, and took note of the funding modalities referred to in paragraph 87 of that document. It earnestly hoped that the programme would be adequately supported by contributions from the Member States.

82. In conclusion, he said that UNIDO should also intensify its activities in such fields as electronics and communications technology, in addition to computer applications, including labour-intensive software, in order to promote interaction between the State and private sectors in the industrial development process in the developing countries.

The meeting rose at 12 noon.